

INDIAN TELECOM SECTOR: AN OVERVIEW

NIVEDITA

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ABSTRACT

Good telecom services are need of the hour. The Indian telecom industry is one of the fastest growing industries in the world. The Indian telecom market is growing day by day. It is interesting to study telecom market of second largest populated country in the world. The Indian telecom market is second largest in the world on the basis of no. of subscribers. This study is based upon the data upto June, 2017. It is found that wireless subscribers and teledensity is increasing. PCO and wireline market is losing popularity in India. Position of urban area is comparatively better than rural area.

KEYWORDS: Telecom, Wireline, Wireless & Teledensity

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INTRODUCTION

Throughout the world, telecom sector is one of the prevalent sectors. Telecom industry in India has undergone a revolution in the recent years. There is a great increase in subscriber base and investment. Substantial economic growth and mounting population enable the rapid growth of this industry. With awareness in young generation about this sector, the public demand is all time high and still increasing. Up gradation in technology and the introduction of innovative products also contribute toward of success of this sector. In India, there are total 1,210.84 Million telecom subscribers. Out of this 700.96 Million are urban and 509.88 million are rural subscribers. U.P.(E) service area has maximum subscribers i.e. 106.94 million followed by Maharashtra(96.94 million), Tamil Nadu (92.74 million). Maximum teledensity is in Delhi i.e.261.33. Maximum rural subscribers are in U.P. east i.e. 53.99 million. Maximum urban subscribers are in Tamil Nadu service area i.e. 66.04 million.1,186.84 million are wireless subscribers whereas 24.00 million are wireline subscribers. Urban wireless subscribers are 680.66 million whereas rural wireless subscribers are 506.18 million. Urban wireline subscribers are 20.31 million whereas rural wireline subscribers are 3.69 million. The Telecom Regulatory Authority of India (TRAI) is a statutory body set up under TRAI Act 1997 for regulating the telecom and broadcasting Sectors in India.

OBJECTIVE OF THE STUDY

- To study the market share of different telecom service providers.
- To analyze the trend in Indian telecom sector.

METHODS

The study is based on the secondary data. Data has been used from various sources like, website of Telecom Regulatory Authority of India, magazines, newspaper, journals, government websites and other relevant

sources.

RESULTS AND DISCUSSIONS

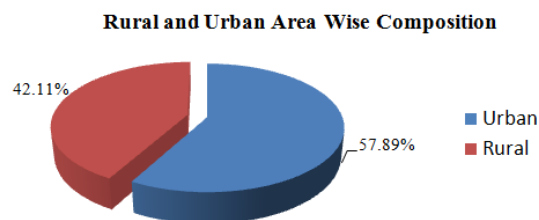


Figure 1: Area Wise Composition

Figure 1 shows that out of total rural area subscribers are 42.11% whereas urban area subscribers are 57.89%. It is clear that urban area subscribers are more than rural subscribers. 700.96 million are urban subscribers whereas 509.88 million are rural subscribers. Therefore, it is clear that largest numbers of telecom subscribers are urban in India.

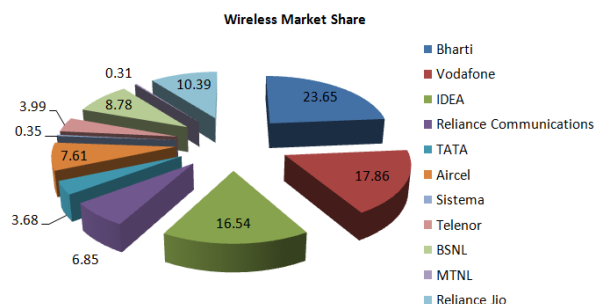


Figure 2: Market Share (Wireless Subscribers)

Figure 2 shows market share of different service providers in upto 30th June, 2017. It is depicted by this figure that maximum market share is held by Bharti i.e. 23.65% followed by Vodafone (17.86%), IDEA (16.54%), Reliance Jio (10.39%), BSNL (8.78%) and Aircel (7.61%). Bharti Airtel is the leading service access provider in the segment in terms of number of subscribers to 280.65 million subscribers. From March to June 2017, Reliance Jio Infocom Ltd. recorded the highest net addition of 14.68 million subscribers followed by Bharti Airtel (7 million). Tata Teleservices recorded the highest decline of 5.29 million subscribers during the quarter June, 2017.

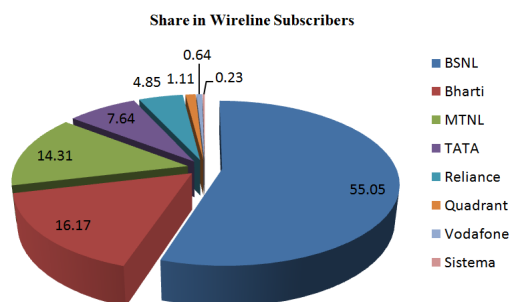


Figure 3: Wireline Subscribers

It is clear from figure 3 that BSNL holds a maximum share in wire-line telecom market, i.e. 55.05%, followed by Bharti (16.17%), MTNL (14.31%), Tata (7.64%) and Reliance (4.85%). Out of 24 Million, BSNL has 13.21 Million subscribers which is highest, followed by Bharti 3.88 million subscribers. BSNL is providing wireline services all over India except Delhi and Mumbai whereas MTNL is providing wireline services in these two areas. Quadrant is operating in

Punjab only and SistemaShyamTelelink Ltd. is providing wireline services in Rajasthan only.

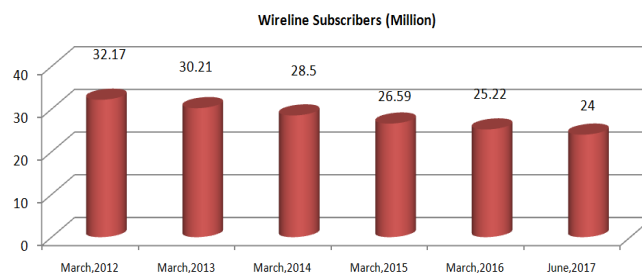


Figure 4: Trend of Wireline Subscribers

Figure no.4 shows that wireline subscribers are declining. These were 32.17 Million in March, 2012 which has decreased to 30.21 million in March, 2013. Further, it has decreased to 28.5 million and 26.59 million in March, 2014 and March, 2015 respectively. In June, 2017 it has decreased and reached to 24 million. It is declining each and every year as shown in the figure given above. Wireless is becoming popular comparatively.

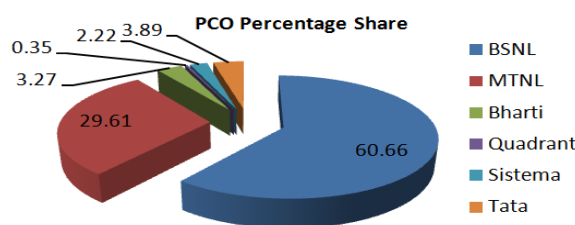


Figure 5: Public Call Offices (PCO)

Figure 5 shows the market position of Public Call Offices (PCO) in India. BSNL (60.66%) has a Maximum share in PCO market, followed by MTNL i.e. 29.61%. Therefore, it is clear that maximum percentage share in PCO market is held by Government service providers. Total number of PCOs in the country is 4,29,139 at the end of June, 2017. Total number of PCOs in the country declined from 4,52,036 at the end of March, 2017 to 4,29,139 at the end of June, 2017.

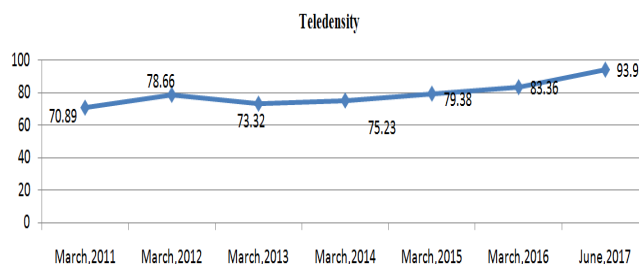


Figure 6: Trend Analysis of Teledensity

Above figure shows that teledensity is increasing year to year. It was 70.89 in March, 2011 now it has increased to 93.98 all over India in June, 2017. In urban area, it is more than rural area. Further, urban teledensity is 172 in June, 2017 whereas rural teledensity is 57.73 during the same period. Furthermore, Wireless teledensity is 92.12 whereas wireline teledensity is 1.86. Therefore, it is clear that overall teledensity is increasing every year except in March, 2013.

CONCLUSIONS

We are living in the era of technology. Today world is reduced to a smaller place to live due to various features and services offered by the telecom service providers. There is a cut throat competition in this sector. New players are

entering in the market and mergers also take place. But, such a huge population is attracting and motivational force. Therefore, we can say that future of telecom industry is bright due to increase in population and per capita income etc.

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